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IN THE

Supreme Court of the United States

OCTOBER TERM, 1940.

No. 566

PAUL WHITEMAN,

Petitioner,

—against—

RCA MANUFACTURING COMPANY, INC., W. B. O. BROADCASTING CORPORATION and ELIN, INC.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF.

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THE COURT PRESS, N. Y. C.

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No.

PAUL WHITEMAN,

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—against—

RCA MANUFACTURING COMPANY, INC., W. B. O. BROADCASTING CORPORATION and ELIN, INC.,

Respondents.

Petition for a Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Paul Whiteman, respectfully prays for a writ of certiorari to the Circuit Court of Appeals for the Second Circuit to review a judgment of that Court entered on August 14, 1940 (R. 472).

Summary Statement of the Matter Involved.

This was an action for an injunction, brought in the United States District Court for the Southern District of New York, to restrain the broadcasting of phonograph records made and sold for non-commercial, home use.

Petitioner is the conductor and proprietor of an orchestra known as "Paul Whiteman and His Orchestra" which engages, *inter alia,* in radio broadcasting and phonograph recording. He has attained celebrity as a unique interpretive artist (R. 414; 223).

Petitioner and his orchestra rendered musical performances of which phonograph records were made and sold by respondent RCA Manufacturing Company, Inc. (hereinafter called RCAM) pursuant to three contracts entered into in the years 1924 (Ex. 4; R. 338; 53), 1931 (Ex. 5; R. 342; 54) and 1934 (Ex. 6; R. 343; 54) respectively. Respondent W. B. O. Broadcasting Corporation (hereinafter called W. B. O.) broadcast nine of these records, purchased by it, over its radio station WNEW, on a program sponsored by respondent Elin, Inc. (hereinafter called Elin) (R. 425-6). Petitioner thereupon instituted an action against W. B. O. and Elin to restrain them.

By leave of the District Court, RCAM filed the complaint at bar, as ancillary to the petitioner's suit, naming as defendants the petitioner, W. B. O. and Elin (R. 438-9). Petitioner in his Answer claimed for himself the rights and relief sought by RCAM (R. 19-20). Thereafter he discontinued his suit without prejudice, by order signed by District Judge Leibell (R. 439), leaving the ancillary action which proceeded to judgment.

There was affirmative evidence that five of the nine Whiteman records broadcast bore on their labels the notice "Not Licensed for Radio Broadcast". Records issued after August 15, 1937 bore an amplified notice restricting them to non-commercial use on phonographs in homes (R. 421; 67). These restrictive notices came to the attention of W. B. O. (R. 132-3).

After trial, District Judge Leibell made extensive

findings of fact, among them: that petitioner, by reason of his skill, labor and capital has built up a well-known orchestral organization and created valuable goodwill in his name and personality (R. 414); that his orchestra reflects his musical style and personality, which are recognizable by the public (R. 424); that W. B. O.'s broadcasts of records are accompanied by deceptive announcements designed to induce radio listeners to believe they are listening to a "live" orchestra when they are in fact listening to a phonograph record; that the record broadcasts create a false impression as to petitioner's present performances, which excel his earlier ones.

The trial Judge also found that broadcasts of phonograph records are based upon the name and appeal of the performing artist; that their excessive repetition prevents him from contracting for his exclusive services, as well as the exclusive use of his name in broadcasting by a particular sponsor (R. 427-8); that they result in unemployment of musicians (R. 432). He further found that petitioner and W. B. O. are competitors: both being engaged in the business of selling entertainment to the public (R. 427).

Concerning petitioner's right to injunctive relief it was claimed below: (1) that as an interpretive performing artist he has a common law property right in his renditions, enabling him to limit or control their use in the hands of purchasers of the records; (2) that this right survived the sale of the records; (3) that the notices on the records created an enforceable equitable servitude on their use; (4) that the broadcast of the records constituted unfair competition with him; (5) that the unauthorized use of his name in connection with the broadcasts consti-

tuted unfair competition and a misappropriation of his goodwill and property rights therein; (6) that under his contracts with RCAM these rights were his exclusively and that RCAM had no rights in the action.

The District Judge held that under the contracts of 1924 and 1931 petitioner's rights had passed to RCAM, but that under the contract of 1934 he had reserved them (R. 434-5). Accordingly, in respect of records made under the last contract, W. B. O. and Elin were enjoined from competing unfairly with petitioner and from violating his common law property rights by their broadcasts. W. B. O. and Elin were enjoined from violating RCAM's rights by broadcasting records bearing restrictive use notices and from competing unfairly with it by broadcasting any of its records. Petitioner was enjoined from assuming to control the use of records made under the contracts of 1924 and 1931, and from claiming the "sole" right to license his records made under the contract of 1934 (R. 451-3).

Petitioner appealed to the Circuit Court because: (1) it was held that he had lost rights under the contracts of 1924 and 1931 to RCAM; (2) he sought to amplify the grounds (stated above) upon which his injunction was granted; (3) his right to relief excluded any relief to RCAM. RCAM appealed because: (1) as manufacturer of phonograph records, it claimed to have a right of "intellectual property" in them, and thereby sought to amplify the grounds upon which its injunction was granted; (2) the petitioner was granted relief. W. B. O. appealed because any relief was granted against it. Elin did not appeal.

The Circuit Court reversed the judgment of the District Court on the grounds: (1) that sale of the

phonograph records constituted "publication" thereof, notwithstanding the restrictive notices, thereby terminating all common law property rights in the records and the performances; (2) that the restrictive use notices on the records did not create a valid equitable servitude thereon; (3) that the broadcast did not constitute unfair competition.

Jurisdiction.

Jurisdiction is invoked under section 240 (a) of the Judicial Code (28 USCA, sec. 347 (a)).

Cases believed to sustain the jurisdiction are: *Forsyth* v. *Hammond,* 166 U. S. 506; *International News Service* v. *Associated Press,* 248 U. S. 215; *Magnum* v. *Coty,* 262 U. S. 159, 163; *Erie R. Co.* v. *Tompkins,* 304 U. S. 64; *Ruhlin* v. *N. Y. Life Ins. Co.,* 304 U. S. 202.

Questions Presented.

District Judge Leibell held that the conductor of an orchestra (the petitioner) has a common law property right in his interpretive musical renditions enabling him to control or limit their use (R. 433). The Circuit Court's consideration of the case proceeded on the expressed assumption that petitioner enjoys this right (R. 465). The questions raised by this case are accordingly as follows:

1. Whether common law property rights in recorded musical renditions, which are admittedly not copyrightable under the Copyright Law of the United States (R. 468), can be lost by publication?

2. Whether sale of phonograph records constitutes publication of the common law property rights of the performing artist in his musical renditions inscribed thereon?

3. Whether sale of phonograph records bearing restrictive notices against their use for broadcasting or other commercial purposes constitutes publication of the common law property rights of the performing artist in his musical renditions inscribed thereon?

4. Whether restrictive notices against broadcasting or other commercial uses, appearing on phonograph records, create an equitable servitude thereon, enforceable by the performing artist against purchasers of the records having knowledge of the restrictions?

5. Whether the unauthorized broadcast of phonograph records of musical renditions constitutes unfair competition with the performing artist who himself engages in radio broadcasting?

6. Whether the use of the name of a performing artist in connection with the unauthorized broadcast of phonograph records of his musical renditions constitutes unfair competition with him and an unlawful appropriation of his goodwill and property in his name?

(Subsidiary questions herein, reserved by the Circuit Court in view of its determination that the common law rights in petitioner's musical renditions had been lost by publication and that there was no unfair competition, may be posed as follows:)

7. Whether petitioner's common law property

rights in his recorded musical renditions passed to RCAM by virtue of their contracts of 1924 and 1931?

8. Whether, if petitioner's common law property rights did not pass to RCAM, his reserved rights did not preclude any relief to RCAM?

9. Whether, if petitioner's common law property rights passed to RCAM, petitioner was nonetheless entitled to injunctive relief on the ground of unfair competition and misappropriation of his goodwill and property in his name?

Reasons for Granting the Writ.

A. Conflict With Applicable Decisions.

It is submitted that the Court below has decided important questions of New York law in a way probably untenable and in conflict with applicable local decisions; decisions of this Court; decisions of the same Circuit Court; and a decision of the Pennsylvania Supreme Court which took its authority from New York precedents so established. Its decision is also in conflict with decisions of other Circuit Courts on similar matters—as below indicated:

1. The decision of the Court below, holding that sale of phonograph records constitutes publication of the musical renditions inscribed thereon, is in conflict with its own decision in *Universal Film Mfg. Co.* v. *Copperman*, 218 F. 577 (C. C. A. 2, 1914), which affirmed 212 F. 301 (D. C. S. D. N. Y.); with the decision in *DeMille* v. *Casey*, 121 Misc. 78 (N. Y. 1923); and with *Wheaton* v. *Peters*, 33 U. S. 591, which was interpreted by *Holmes* v. *Hurst*, 174 U. S. 82, as em-

bodying the doctrine of *Donaldson* v. *Becket*, 2 Bro. P. C. 129 (1774).

2. The decision, holding that sale of phonograph records bearing restrictive use notices constitutes publication of the musical renditions inscribed thereon, is in conflict with *American Tobacco Co.* v. *Werckmeister*, 207 U. S. 284, affirming the decision of the same Court in 146 F. 375 (C. C. A. 2, 1906), which is the leading case on the subject of publication in the United States. The cited case was relied on by *Waring* v. *WDAS Broadcasting Station*, 327 Pa. 433, which in turn was the basis of *Waring* v. *Dunlea*, 26 F. Supp. 338 (D. C. E. D. N. C., 1939).

3. The decision, holding that restrictive use notices on the records did not create a valid equitable servitude, is in conflict with its own decision *In re Waterson, Berlin & Snyder* v. *Irving Trust Co.*, 48 F. (2d) 70 (C. C. A. 2, 1931); and with *New York Bank Note Co.* v. *Hamilton*, 180 N. Y. 280 (1905); *Murphy* v. *Christian Press Assoc. Pub. Co.*, 38 App. Div. 426 (N. Y. 1899); *Oregon Steam Nav. Co.* v. *Winsor*, 20 Wall. 64; *Great Lakes etc. Distributors Co.* v. *Scranton Coal Co.*, 239 F. 603 (C. C. A. 7, 1907); and *Lorillard* v. *Weingarden*, 280 F. 238 (W. D. N. Y. 1922).

(*Burrow-Giles Lith. Co.* v. *Sarony*, 111 U. S. 53, indicates the propriety of reference to decisions of the English courts.) The decision of the Court below is in conflict with the following English decisions: *DeMattos* v. *Gibson*, 4 DeG. & J. 276, 45 Eng. Rep. 108 (1858); *Werderman* v. *Société Générale D'Électricité* (1881), 19 Ch. D. 246; and *Lord Strathcona Steamship Co.* v. *Dominion Coal Co.* (1926), A. C. 108.

The decision, further, is in conflict with *Waring* v. *WDAS, supra,* which has purported to follow the law of the State of New York on this matter.

4. The decision, holding that the broadcast did not constitute unfair competition with petitioner, is in conflict with *International News Service* v. *Associated Press,* 248 U. S. 215, which affirmed the decision of the same Court in 245 F. 244 (C. C. A. 2, 1917); and with *Associated Press* v. *KVOS,* 80 F. (2d) 575 (C. C. A. 9, 1933); *Uproar Co.* v. *National Broadcasting Co.,* 81 F. (2d) 373 (C. C. A. 1, 1926); *Twentieth Century Sporting Club, Inc.* v. *Transradio Press Service, Inc.,* 165 Misc. 71 (N. Y. 1937); *Fonotipia* v. *Bradley,* 171 F. 951 (C. C. E. D. N. Y. 1909); and *Meyer* v. *Hurwitz,* 10 F. (2d) 1019 (C. C. A. 3, 1926), which affirmed 5 F. (2d) 370 (D. C. E. D. Pa. 1925).

The decision, further, is in conflict with *Waring* v. *WDAS, supra,* which, relying upon the cited decisions, has purportedly followed the law of the State of New York on this matter.

B. Concerning the Importance of the Questions Presented.

When the problems of this case arose in *Waring* v. *WDAS Broadcasting Station, supra,* they were new to Anglo-American law. The novelty lay mainly in the specific subject matter; relief was indicated by existing categories of the law.

But public concern in the basic issue is as old and as great as the art of music; new devices give it only new direction: This public interest, today, is that musical artists shall go on creating their art in durable form, freely, and free of piratical abuses.

For radio and phonography have brought with their progress problems which are acutely real to the Toscaninis, the Kreislers and the Tibbetts, the War-

ings and the Whitemans. Devices which carry their art beyond time and space have become potential instruments of their economic destruction. A vicious kind of unfair competition has arisen, unique because, against his will, it has put the artist in competition with himself.

Everywhere the facts are observable: records made for listeners before phonographs at home are commercially exploited in broadcasting, in coin-operated music machines, dance-halls, theatres, skating-rinks, hotels and elsewhere. This endless "plugging" loses the artist his favor and shakes his security. If, in his effort to right these dislocations, he stops making records, our culture (as the *Waring* case indicated) loses.

The *Waring* case, in declaring the law of its State, patently was affirming the law of New York by strong reliance upon its decisions. The decision of the Court below has created obvious uncertainty where there should be certainty.

These issues will probably come before other courts and a search for precedents will ensue. Whether musicians have the rights here claimed and whether they have been invaded present vital issues against a broad public background. The need for an accurate, authoritative precedent is great.

WHEREFORE, it is respectfully submitted that this petition for a writ of certiorari to review the judgment of the Circuit Court of Appeals should be granted.

Dated, November 8, 1940.

MAURICE J. SPEISER,
Attorney for Petitioner.